



BIENNIUM REVIEW

Home Ownership

Key changes

- There are new requirements added to local government planning and building codes that will increase costs.
- A \$100 increase to the housing surcharge, making the document recording fee \$203.50 for the first page.
- Many of the Governor's housing agenda bills failed when controversial provisions were added.

Background

The trend is people are leaving cities when they find jobs that allow them to work from home. Democrat-sponsored bills promote *urban centric* values while piling on social justice and environmental/climate change policies to the development of housing. There are problems the industry has identified that could have been corrected but were not. Permits are not processed in a timely fashion. There is a shortage of land supply within the urban growth areas. The State Building Code Council approves new provisions every three years without regard to how it effects the price of the home, easily adding tens of thousands of dollars every cycle. Multiple years of these policies gives us the results people see today — that the median house prices are typically higher than the average salary range of the people living in their communities can afford.

The building industry has determined that:

- Current zoning laws on average in Washington accounts for \$72,000 on the price of a new home.
- The median new home price is \$522,000 which means about 74% of Washington households cannot afford a new home today.
- For every \$1,000 added to the cost of a home it prices 2500 households out of home ownership.

Bills

The bills listed below change land-use planning, building codes, recording fees, and property taxes. There are many others not mentioned here.

- ✓ [House Bill 1410](#) (Volz) – **Reducing Tax Penalties.** This bill eliminates penalties for delinquent property taxes and reduces interest from 12 percent to nine percent for residential parcels with four or fewer units. *Passed the House 97-0-1. Signed by Governor. Effective January 1, 2022.*
- ✓ [House Bill 1277](#) (Ormsby) – **\$100 Surcharge on Recorded Documents.** This bill adds \$100 to the document recording fee to pay for eviction prevention rental assistance. This is in addition to the \$85.50 already being charged related to planning, homeless housing, and assistance surcharges. The first page costs \$203.50 to file. *Passed House 57-39-2. Signed by Governor. Effective July 25, 2021. Note: BIAW has filed a lawsuit related to this bill – see <https://www.biaw.com/new-surcharge/>.*
- ✓ [Senate Bill 5042](#) (Salomon) - **Creating Uncertainty of Applicable Law.** This bill changed the vesting law so that now builders don't know what law will apply when they go to build in specific situations. It can change from the time of site plan to the time of building. *Passed the House 55-43. Signed by the Governor. Effective June 9, 2022.*

- ✓ [Senate Bill 5235](#) (Lias) – **Accessory Dwelling Units and Short-Term Rentals.** This bill allows cities and counties to impose fees, impact fees, or taxes, or to waive such fees, to encourage the use of accessory dwelling units for long-term housing. *Passed House 57-40-1. Partially vetoed by Governor. Effective July 25, 2021.*
- ✗ [Senate Bill 5964](#) (Mullet) – **Building Permit Reform.** This bill would have excluded most interior alterations within residential units from site plan review. This would have helped reduce the cost and time delay for interior make-overs of kitchens and bathrooms. *Died in House Appropriations Committee.*
- ✗ [House Bill 1099](#) (Duerr) – **Climate Change Mitigation as GMA Goal.** This bill would have added climate change mitigation as a planning goal. The Department of Commerce would create a set of actions for counties and cities to reduce greenhouse gas emissions and vehicle miles travelled, including a model climate change and resiliency element. *Passed the House 57-41. Died in Concurrence Process.*
- ✗ [House Bill 1770](#) (Duerr) – **Zero Emission Buildings.** The Governor's request bill would require new buildings to be net-zero ready and reduce energy consumption annually at least 80 percent by Dec. 1, 2034. Such a drastic level would impact lifestyles choices, such as installation of gas fireplaces, gas heat, and air conditioning. *Passed the House 51-47. Died on Senate Floor Calendar.*
- ✗ [House Bill 1782](#) (Bateman) – **Missing Middle.** The Governor's request bill envisioned new housing units for middle income owners near transit. Additional provisions were added in committee to require a *built environment sub-element* as part of growth management planning along with economic and racial integration and anti-displacement measures. *Died on House Floor Calendar.*

Budget information

The 2021-23 [base operating budget](#) included:

- \$187 million in federal stimulus funds for homeowner assistance intended to prevent mortgage delinquencies and defaults, foreclosures, loss of utilities or home energy services, and displacement of homeowners;
- \$123 million in other federal grants including funding for the [Home Investment Partnership Program](#), the [Low-Income Home Energy Assistance Program](#), and the [Low Income Household Water Assistance Program](#).

The [2022 supplemental budget](#) included:

- \$4.5 million in foreclosure assistance (total spending on foreclosure assistance in 21-23 is \$13 million);
- \$100 million for utility assistance to address electricity, natural gas, water, sewer, and garbage arrearages for low-income households.

The 2021-23 base [capital budget](#) included:

- \$10 million for weatherization grants to assist homeowners with upgrades to reduce heat loss;
- \$10 million for the continuing affordability in current housing program to ensure affordable housing stays affordable; and
- \$5 million for the [rural rehabilitation loan program](#) that provides deferred loans to rural, low-income households that need necessary repairs and improvements to their homes.

The [2022 supplemental capital budget](#) provided:

- \$25 million for nonprofit agencies (like Habitat for Humanity) to develop homes for low-income households;
- \$70 million in expenditure authority and \$10 million in state funds for weatherization grants.

Additional information

- Lt. Gov. Heck's February 2022 [Report on Economic Development](#)
- Washington's [Housing Affordability Index](#) By County
- Municipal Research Service Center - Affordable Housing [page](#)